



**BRIEFING: APRIL 2013 BOARD MEETING AGENDA ITEM #2**

**TO:** Chairman Richard and Board Members

**FROM:** Dennis Trujillo, Chief Deputy Director

**DATE:** April 4, 2013

**RE:** Approval of Amendment to URS Joint Venture Regional Consultant Contract

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**Background**

The Authority's Architectural & Engineering (A&E) contract with URS, HMM & ARUP, a Joint Venture (URS JV), one of the eight Regional Consultant (RC) Contractors performing environmental studies, planning and preliminary engineering (PE/NEPA/CEQA) for the program, is approaching the limits of its current contract duration and budget, and requires Board approval for an amendment.

Under existing contract with the Authority URS J V is the prime Regional Consultant for both the Fresno to Bakersfield and the Bakersfield to Palmdale project sections. Staff recommends amending the URS JV contract to allow the completion of the PE/NEPA/CEQA work on the Fresno to Bakersfield section. Staff intends to return to the Board in May or June with a recommendation for completion of the PE/NEPA/CEQA work on the Bakersfield to Palmdale section.

In order to meet the current project delivery schedule in the Central Valley it is necessary to retain URS JV through the fall 2014 environmental document completion date for the Fresno to Bakersfield section. In addition, after completing the PE/NEPA/CEQA on the Fresno to Bakersfield section it will greatly benefit the Authority to retain the URS JV team's expertise and experience during the procurement period for the Central Valley Design-Build contracts. It is important to note that this extension is not based solely on specific timeframes, but rather on deliverables, work product, and project milestones. The contract is task driven and the RC will only perform duties that it is directed to perform by the Authority.

**About URS**

URS provides full life cycle engineering, construction, and technical services to public and private sector clients worldwide. URS serves five key market sectors: Federal, Oil & Gas, Infrastructure, Power and Industrial. URS is the Joint Venture lead teaming with Hatch Mott McDonald and ARUP (URS JV) on this contract.

### *Key Facts*

- Exchange as *URS*. Established: 1951
- Number of Employees: More Than 54,000
- FY2012 Revenues: \$10.97 Billion
- NYSE Symbol: URS
- Offices in nearly 50 countries
- Headquarters in San Francisco California

### *Engineering News Record – The Top 500 Design Firms*

The Engineering News Record ranks URS #2 Overall among design firms and has ranked them as one of the Top 3 Firms for more than a decade. Other rankings include:

- |                          |                           |                 |
|--------------------------|---------------------------|-----------------|
| • #1 in Bridges          | #1 in Hazardous Waste     | #2 in Highways  |
| • #2 in Transportation   | #3 in Mass Transit & Rail | #3 in Pipelines |
| • #3 in General Building | #3 in Manufacturing       | #5 in Water     |

### **Discussion**

It is the Authority's intent to best serve the public interest by delivering all aspects of the California High-Speed Train Program on schedule, at the lowest possible cost, and with quality that meets or exceeds acceptable industry and government standards.

The contract with URS is as an Architectural and Engineering (A&E) services contract as defined in Government Code, Section 4525 and, therefore, extending this contract through the amendment process is within the Board's scope and will not require Department of General Services approval pursuant to Section 11.00 of the State Contracting Manual (SCM).

This risk-based assessment and recommendation considers the following opportunities and risks: loss of consistency/continuity, stakeholder relationships, competition, potential conflicts of interest, loss of institutional knowledge, and imminent disruption and delay. This qualitative risk-based assessment was performed in consultation with the Authority's Chief Deputy Director, Chief Program Manager, Chief Financial Officer, Regional Directors, Chief Counsel, and Risk Manager.

As the program advances and matures, professional consultant services procurement, structure, and organization will be continuously assessed and enhanced. Due to the dynamic nature of the project, there will likely be future efficiency opportunities. Over the next year, the Authority plans to implement various strategic planning initiatives. The area of professional consulting services procurement will be one area of emphasis with the goal of building on the Authority's long term consulting strategy.

The original contract with the URS JV team was awarded on February 12, 2007 for \$119,985,612. The procurement process was conducted by Authority staff consistent with the state's A&E procurement process. Proposals were evaluated by a team of Authority staff and staff from other state departments with contracting experience who evaluated the proposals and made recommendations to the Authority. The original contract duration approved by the Board was set to expire on June 30, 2012. On June 30, 2012, a one-year time-only contract amendment

was executed extending the contract through June 30, 2013 in anticipation of a Record of Decision on the Fresno to Bakersfield Environmental Impact Report/Environmental Impact Statement (EIR/EIS) by fall 2012.

In December 2011, the Authority Board determined that a recirculation EIR/S for the Fresno to Bakersfield section was necessary in order to address stakeholder comments and concerns and to study additional alternatives in response to those concerns. As a result the environmental schedule for the section was extended. The Fresno to Bakersfield Project EIR/EIS is now scheduled for completion in 2013 with a Record of Decision anticipated by the end of 2013.

This proposed amendment would cover the following:

- Completion of the environmental documents and preliminary engineering for the Final EIR/EIS
- Preliminary engineering required for the procurement of Construction Packages #2-#4 and
- Permitting and mitigation work required for the Fresno to Bakersfield section of the initial construction segment as approved by the Legislature in SB 1029 (Chapter 152, Statutes of 2012)
- Compliance with the Authority's Small and Disadvantaged Business Enterprise Program and the applicable 30 percent participation goal for Small Businesses, inclusive of Disadvantaged Business Enterprises, Disabled Veteran Business Enterprises and Microbusinesses

### **Recommendation**

Staff recommends that the Board approve a contract amendment with URS JV for a two-year contract extension and an additional \$38.25 million to be added to the contract capacity, for a total contract not to exceed \$158,235,612.

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<b>PROJECT SECTION</b>	<b>FIRM</b>	<b>CURRENT TERM</b>	<b>AMENDED TERM</b>	<b>CURRENT BUDGET</b>	<b>AMENDED BUDGET</b>
Fresno to Bakersfield	URS JV	6/30/2013	6/30/2015	\$119,985,612*	\$158,235,612*

\* Total Budget Amount shown is for Contract HSR#06-0003 and includes both the Fresno to Bakersfield and Bakersfield to Palmdale project sections.

### **Attachment**

- Resolution # HSRA 13-06